



OPERATIONAL SERVICES DIVISION

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To: Secretariat and Agency Chief Procurement Officers, General Counsels, Chief Financial Officers, MMARS Liaisons, Department Security Officers, COMMBUYS Organization Administrators, COMMBUYS Liaisons, Chief Information Officers, Information Technology Directors, all COMMBUYS Users

Cc: Cabinet Secretaries, Agency Heads

From: Gary Lambert, Assistant Secretary for Operations, Operational Services Division

Date: July 29, 2015

RE: **Elimination of PC Approvals by OSD in MMARS beginning Fiscal Year 2016**

The purpose of this memorandum is to notify Departments that the Operational Services Division (OSD) is eliminating the delegation threshold for PC documents in MMARS. As a result, effective July 1, 2015 for FY2016 departmental purchases, OSD approval of commodity encumbrances (PCs) exceeding \$150,000 for the total duration of the document will no longer be required. Eliminating this step will save significant document processing time for Departments and OSD. Please note that end of fiscal year and Accounts Payable period PC activity will still require PC approvals and will be done by ANF budget analysts. Further instruction will be available in the Opening/Closing information provided by the Office of the Comptroller that will be released to Departments in the spring of 2016.

Although secondary approval of PCs by OSD has been eliminated, this does not change any underlying procurement or contracting requirements. Departments are still responsible for procuring and contracting in accordance with applicable state finance and procurement laws, regulations and policies. Similarly, even though the procurement file will not be reviewed as part of the PC approval process, Departments will continue to be required to document and verify that all purchases have been made in accordance with prescribed laws, regulations, policies and procedures to ensure the most cost effective ("best value") use of Commonwealth funds.

It is important to clearly understand the transaction encumbrance processing responsibilities:

- Departments are responsible for the review and processing of all PC encumbrance transactions. MMARS will automatically process to "FINAL" all PC documents.
- When a department electronically submits a transaction to final status in MMARS, the department head or their designee(s), consistent with their Department Head Signature Authorization, certifies that any expenditure or other obligation is supported by sufficient authorized funds and is in accordance with the department's enabling legislation and funding authority and that the MMARS transaction and any underlying supporting documentation are accurate and complete and comply with all applicable general and special laws, regulations and policies including public record retention and disposal requirements.

All departmental goods and services procurements and encumbrances are subject to Quality Assurance reviews to ensure Departments are following proper procurement and contracting policies and procedures.



The following documentation changes have been made to reflect this change:

- The [Procurement Overview](#) document in OSD's Procurement Information Center has been updated by eliminating the delegation limit for PCs and removing the section requiring secondary approval of PCs by OSD.
- The Purchase Order Transmittal Form located on the OSD Forms page has been rescinded and removed.

In the near future, other documents related to departmental procurement delegation will also be updated to reflect this change. If you have any questions regarding the elimination of secondary approval of PCs by OSD, please contact OSD's Legal Policy and Compliance Office at Dmitriy.Nikolayev@state.ma.us.